



M e m o r a n d u m

To: Panel Members

Date: July 24, 2015

From: Stewart Knox, Executive Director

File:

Subject: LEGISLATIVE UPDATE

1. **The following bills have been introduced in the 2015-16 legislative session that may have a potential impact on the Employment Training Panel (ETP) program, or that may be of interest to the Panel:**

AB 1270 – California Workforce Innovation and Opportunity Act (Assembly Member Eduardo Garcia)

SUMMARY: AB 1270 updates statutory references to the Workforce Investment Act of 1998 to instead refer to the Workforce Innovation and Opportunity Act of 2014 and makes other related conforming changes.

Further, it revises legislative findings with regard to the act, revises the definitions of terms used within the act, and renames the California Workforce Investment Board the California Workforce Development Board.

Additionally, the bill requires the Board to assist the Governor in the development of a State Plan and provides that the State Plan serves as a comprehensive framework and coordinated plan for the aligned investment of all federal and state workforce training and employment service funding streams and programs.

The bill revises the membership of the board and, among other things, tasks the board with developing and continuously improving the statewide workforce investment system. It also renames the local boards as local workforce development boards, revises the guidelines used to appoint members of the local boards, and revises the duties of the local board consistent with the federal Workforce Innovation and Opportunity Act of 2014.

AB 1270 was approved by the Governor on July 14, 2015, and filed with the Secretary of State the same day and chaptered (Chapter 94, Statutes of 2015).

SB 3 – Minimum Wage: Adjustment (Senator Mark Leno)

SUMMARY: Existing law requires that on and after July 1, 2014, the minimum wage for all industries be not less than \$9 per hour. Existing law further increases the minimum wage, on and after January 1, 2016, to not less than \$10 per hour.

As amended March 11, 2015, this bill would increase the minimum wage on and after January 1, 2016, to not less than \$11 per hour, and on and after July 1, 2017, to not less than \$13 per hour. The bill would require, commencing January 1, 2019, the annual automatic adjustment of the minimum wage to maintain employee purchasing power diminished by the rate of inflation during the previous year.

The adjustment would be calculated using the California Consumer Price Index, as specified. Further, the bill would prohibit the Industrial Welfare Commission from adjusting the minimum wage downward and from adjusting the minimum wage if the average percentage of inflation for the previous year was negative.

On July 9, 2015, SB 3 passed out of the Assembly Committee on Labor and Employment and was re-referred to the Appropriations Committee.

SB 45 – Workforce Development: Federal Workforce Innovation and Opportunity Act (Senator Tony Mendoza)

SUMMARY: The federal Workforce Investment Act of 1998 (WIA) authorizes workforce investment activities, including activities in which states may participate. The federal Workforce Innovation and Opportunity Act (WIOA), beginning July 1, 2015, repeals and supersedes the WIA and, among other things, requires a state, in order to receive specified allotments of federal funds and before the second full program year after July 22, 2014, to identify planning regions and require local boards and chief elected officials to prepare regional plans for those planning regions.

This bill would require the state, in conformity with WIOA and after consultation with local boards and chief elected officials, to identify planning regions. The bill would require local boards and chief elected officials to prepare regional plans for those planning regions and would also require the board to aid the Governor in facilitating system alignment across the core programs of WIOA and make related and conforming changes.

Existing law encourages the state and local workforce investment boards to collaborate with other public and private institutions, including the Employment Training Panel, to better align resources across workforce education and training service delivery systems and to build a well-articulated workforce investment system. This bill would clarify the specific goals that need to be accomplished in order to do so, including supporting career pathways, building partnerships, aligning strategies, and leveraging resources across education, social services, and workforce training delivery systems to build a career pipeline to fill critical skills gaps.

July 17, 2015 was the last day for policy committees to meet and report bills. SB 45 failed to meet this deadline and will not move forward this legislative session.

SB 342 – California Workforce Investment Board: Responsibilities (Senator Hannah-Beth Jackson)

SUMMARY: Under existing law, the California Workforce Investment Board is responsible for assisting the Governor in the development, oversight, and continuous improvement of California's workforce investment system. Existing law requires the board to assist the Governor in targeting resources to specified industry sectors and providing guidance to ensure that services reflect the needs of those sectors.

SB 342 would additionally require the California Workforce Investment Board to assist the Governor in helping individuals with barriers to employment achieve economic security and upward mobility by implementing policies that encourage the attainment of marketable skills relevant to current labor market trends.

On July 9, 2015, SB 342 passed out of the Assembly Committee on Labor and Employment and was re-referred to the Appropriations Committee.